

22 April 2022

Aged care employment study
Productivity Commission
GPO Box 1428
Canberra City ACT 2601

Dear Commissioners,

Productivity Commission inquiry into indirect employment in aged care

The United Workers Union (UWU) is a powerful union with 150,000 workers across the country from more than 45 industries and all walks of life, standing together to make a difference. Our work reaches millions of people every single day of their lives – we feed you, educate you, provide care for you, keep your communities safe and get you the goods you need. Without us, everything stops. We are proud of the work we do – our aged care members are the people providing care, support, and dignity to older Australians every day. Our members in aged care are passionate about addressing the crisis in aged care and improving the quality of care of all older Australians during this pandemic, and every day.

Our members believe this inquiry is unnecessary and unwarranted. The Royal Commission into Aged Care Quality and Safety thoroughly investigated this issue and heard from residents and families, workers and their representatives, providers, government officials and academics. The evidence from the Royal Commission is clear: **there is a workforce crisis in aged care, and the sector is struggling to attract and retain workers due to low wages and poor employment conditions, lack of investment in staff, lack of staff training opportunities, limited opportunities to progress or be promoted, and no career pathways.** We have attached several submissions we made on these workforce issues to the Royal Commission.

The Royal Commission also found that older Australians highly value continuity of care and that care provided by the same workers enables better care and improves wellbeing. Continuity of care can only be ensured with a highly valued, well-paid workforce, with high levels of retention. This is sadly not the current reality of aged care. **A February 2022 UWU survey of over 1000 workers found that a staggering 75% are considering leaving the sector within the next 5 years.** This shocking find that tells us *yet again* that urgent action is required.

Indirect employment via gig economy platforms and labour hire agencies is by its nature insecure – workers cannot be sure of their next pay check, how many hours they will work in the next week or whether they will have any work at all. Gig

economy platforms do not invest in workers and do not provide workers with the training they need to provide high quality care. Labour hire agencies do not provide workers with a steady income or opportunities for progression. Moreover, insecure work negatively impacts continuity of care. Indirect employment is bad for workers and bad for older Australians in care.

To resolve the workforce crisis, the Federal Government and the aged care sector must invest in the aged care workforce – and **only the direct employment model can facilitate the urgent changes needed including higher pay, regular and decent hours of work, access to training, and opportunities for progression. Only the direct employment model can facilitate a highly valued, skilled workforce with high levels of retention –which is critical to continuity of care and high-quality care.**

UWU also represents workers in early childhood education and care (ECEC) and in the disability support sector. Like aged care, continuity of care is important in both ECEC and disability support. Similarly, the workers are predominantly female, and their work is undervalued, and too often, insecure. Direct employment should be the preferred employment model in ECEC and the disability support sector too.

The aged care sector is in crisis and there is no more time to delay. The Federal Government must take urgent action to address the workforce crisis including implementing Recommendation 87. Instead, the Federal Government has chosen to delay acting on the workforce crisis in aged care yet again– asking the Productivity Commission to re-investigate what has already been examined.

Yours sincerely,

Carolyn Smith

Aged Care Director
United Workers Union